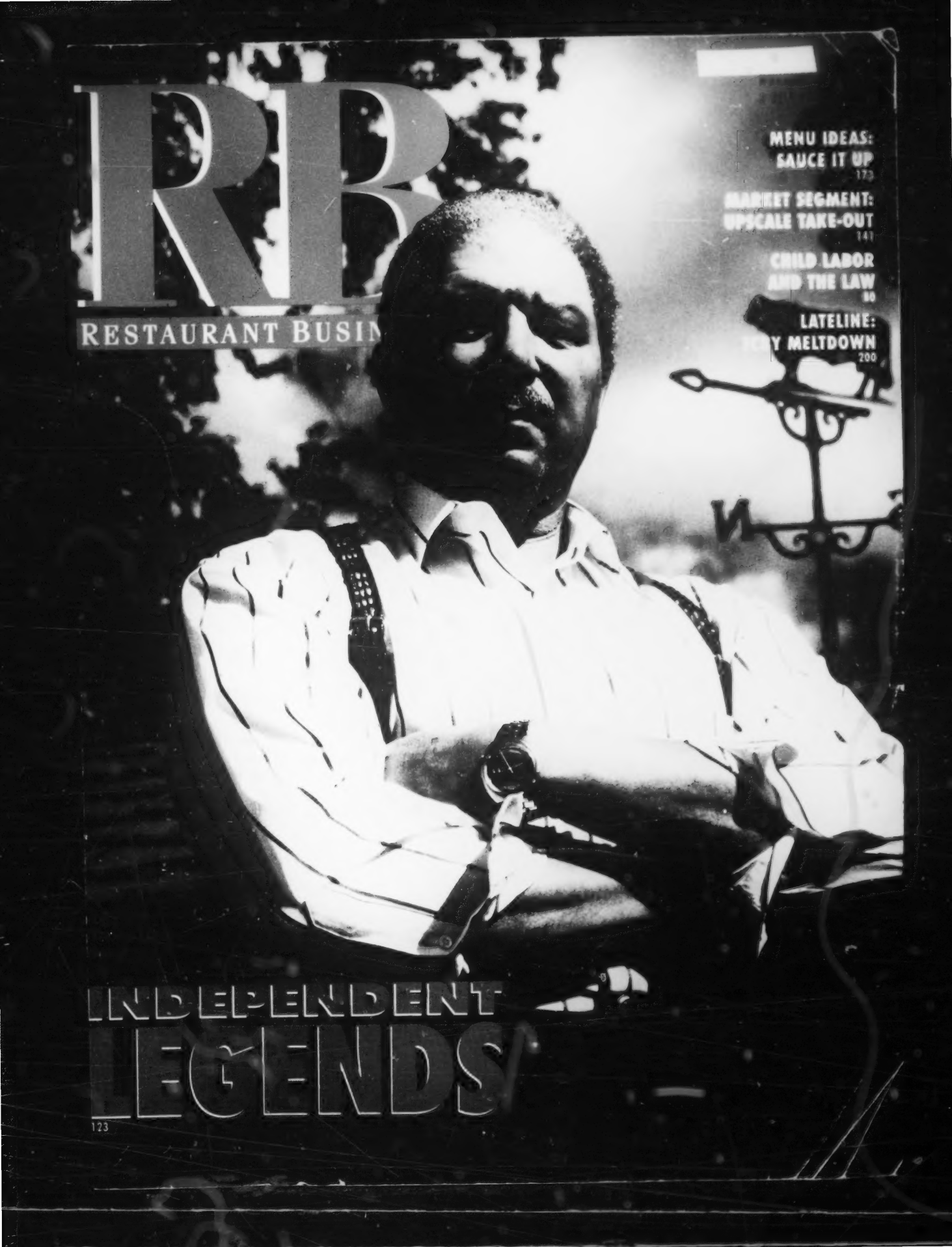

RB
RESTAURANT BUSIN
MENU IDEAS:
SAUCE IT UP
173
MARKET SEGMENT:
UPSCALE TAKE-OUT
141
CHILD LABOR
AND THE LAW
80
LATELINE:
Y MELTDOWN
200
INDEPENDENT
LEGENDS
123

# RB CONTENTS

NOVEMBER 1, 1990 VOL. 89, NO. 16

## COVER STORY

**PROFILES INDEPENDENT LEGENDS.** Their restaurants span the continent from Washington State to Maine. They are in small towns and big cities alike, with staffs from several dozen to more than a thousand. Some were born into the business while others made a practical choice, and saw opportunity when it knocked. Whether running large or small operations, several points stand out among the nine restaurateurs in this issue. All run their businesses with the simple credo of hard work and dedication to quality, service, and value. **123**

## FEATURES

**HUMAN RESOURCES CHILD LABOR.** The restaurant industry has been especially hard hit by the stepped-up enforcement of child labor laws for the simple reason that they employ the greatest number of teenagers. **80**

**Cover photograph by Walt Whitaker.**

Published 18 times a year by Restaurant Business Magazine. (ISSN 0097-8043). 633 Third Ave., New York, N.Y. 10017 Vol. 89 No. 16. Second Class Postage paid at New York, N.Y. and additional office (USPS 917-180). Postmaster please send address changes to Restaurant Business, P.O. Box 5309, Grand Central Station, New York, N.Y. 10017

**COMMUNITY SPIRIT HEALTH ISSUES.** The final part of this series deals with the foodservice industry's concern for people with disabilities—both customers and employees—and efforts to ease the plight of those stricken with major illnesses, including AIDS. **94**

**INDUSTRY ISSUE INSURANCE.** The high cost of insurance needed to run a restaurant is climbing even higher. This first article of a three-part series takes a look at the problems associated with worker's compensation. **116**

**MARKET SEGMENT REPORT UPSCALE TAKE-OUT.** With on-premise traffic counts remaining flat, many operators are looking toward take-out and delivery to boost sales. Nowhere is this trend more evident than in upscale restaurants, which offer discerning consumers more than pizza and Chinese food. **141**

## FOOD AND BEVERAGE

**MENU IDEAS SAUCES & CONDIMENTS.** Some years ago, American chefs put aside their classical tomes on sauce making and began looking for new inspiration. They found it in regional and ethnic cuisines, exotic fresh ingredients, and lighter cooking methods. **173**

**CHEF'S ART** **DAWN SIEBER.** At the Cheeca Lodge's Atlantic's Edge restaurant, this young executive chef serves braised swordfish on a bed of julienne snowpeas and steamed raviolis made from gyoza skins. 178

**PIECE MEAL** **CHURROS.** The ridged, freshly fried fritters, usually served with nothing more than a sprinkling of granulated sugar, have long been a standard early-morning food in parts of Spain. Now they have found their way to the streets of major cities in the U.S. 181

**PRO'S PANTRY** **SPICE BLENDS.** Chilies and curries head the list of the many complex blends of spices and herbs that are available today. 184

**DRAFTS, CARAFES & SPIRITS** **AFTER-DINNER DRINKS.** Some new liquors such as varietal grappas are convincing customers to linger after the meal. After-dinner drinks are valuable check-boosters. 187

**BAR MANAGEMENT GUIDE.** Noteworthy products. 190

## COLUMNS AND DEPARTMENTS

**BUSINESS BAROMETER** ..... 2

**EDITORIAL** ..... 6

**LETTERS TO THE EDITOR** ..... 10

**RESTAURANT OPENINGS** ..... 19

**CALENDER** ..... 20

**INSIGHTS.** Industry News ..... 26

**TRADE QUOTES.** Stock Market Reports ..... 56

**MENU PLANNER'S GUIDE** ..... 60

**SANITATION.** Cleaning Agents ..... 76

**COMPUTER LINK** ..... 108

**EQUIPMENT I.Q.** Refrigeration ..... 162

**BUYER'S CIRCLE.** Notable Equipment ..... 166

**CLASSIFIED ADVERTISEMENTS** ..... 198

**LATE LINE.** Last-minute Newsbreaks ..... 200

**INDEX** ..... 204

**READER COMMENT CARD** ..... 205

## INDUSTRY REPORTS AVAILABLE

Reprints of the **1990 RESTAURANT GROWTH INDEX** and the **1990 MAJOR FORCES IN FRANCHISING** are available for $5 per copy. Direct inquiries to Editorial Director Peter Berlinski, *Restaurant Business*, 633 Third Avenue, New York, NY 10017.

# IN THE NEXT ISSUE

**COVER STORY** **THE TOP 100**

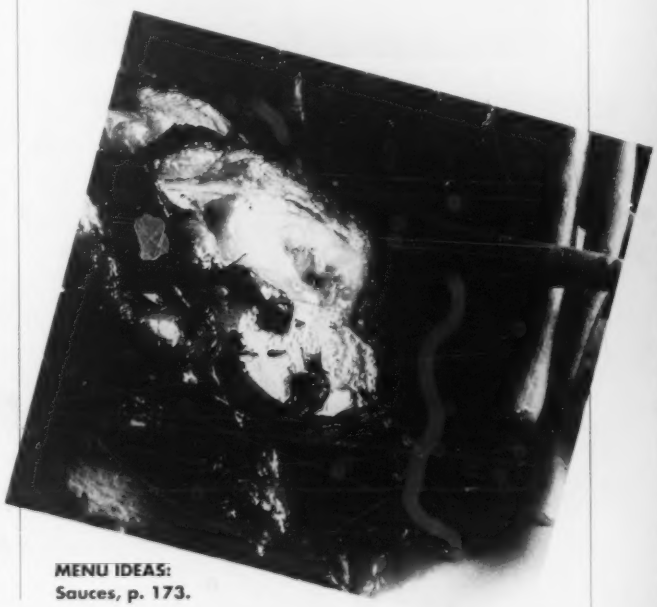
*RB*'s annual study of the leading restaurant chains in the U.S. not only provides a revealing picture of our industry's outlook, but also offers an exclusive report that includes compilation of statistical data prepared especially for *Restaurant Business* by Technomic. In addition, this year we will be featuring a special report on Taco Bell, one of the fastest-growing companies. The secret to its success? Company officials have rediscovered the importance of price structuring, and the fast-food Mexican chain has been rewarded by big numbers from its host of entrees for under a dollar.

**MARKET SEGMENT REPORT** **CASUAL-THEME**

With more emphasis on quality and service, casual-theme restaurant operators have continued to go beyond their former trendy, "meat-market" atmospheres and offer more substantial fare. Operators in this segment feel their niche is still a viable one, shifting marketing emphasis to a more local or regional focus.

**DRAFTS** **CALIFORNIA VARIETALS**

The quality renaissance in California wines continues unabated, and smart operators are pouring profitably.



**MENU IDEAS:**
**Sauces, p. 173.**

ONLY ONE NON ALCOHOLIC BEER IS GOOD ENOUGH TO BE ON THIS MENU

THE FOUR SEASONS

*Put Moussy On Your Menu!*

MOUSSY. KING OF THE CATEGORY

*The Original Premium Imported Non Alcoholic Beer*

Call for information on the Moussy menu program or the name of your nearest distributor **1-800-842-2352**

**For information circle number 59**

RB RESTAURANT BUSINESS

EDITORIAL STAFF
EDITORIAL DIRECTOR Peter R. Berlinski
EDITOR Scott Allmendinger
EXECUTIVE EDITOR Shelley Wolson
MANAGING EDITOR Tom Strenk
NEWS EDITOR Marilyn Alva
FEATURES WRITER Diane Kochilas
ASSISTANT EDITOR Lori Barker
PRODUCTS EDITOR Herme Shore
ASSISTANT TO THE EDITOR Mary Ann Tasoulas

FOOD EDITOR Pamela Anderson
BEVERAGE EDITOR James Scarpa
FOOD CONSULTANT Kathleen Kenny Sanderson

WEST COAST EDITOR Kevin Farrell (714) 964-6470
MIDWEST EDITOR James Scarpa (312) 782-1266

ART DIRECTOR Beth Meyers
ASSOCIATE ART DIRECTOR Susan Froberg
ART CONSULTANT Lisa Powers
ART INTERN Stephanie Cassas

SPECIAL PROJECTS EDITORS Denise M. Brennan, Patricia M. Kolb, Joan M. Lang

COLUMNISTS
Patricia Baird, Gen LaGreca, Dr. Joseph Durocher, Karen MacNeil, David L. Epstein, Bill Main, Dr. Michael Kasavana, Edmund Osterland, Don Shapiro

CONTRIBUTING EDITORS
Carol Casper, Don Nichols, Jacque White Kochak, Ralph Raffio, James Peters

PRESIDENT/GROUP PUBLISHER Jeffrey P. Berlind

Editorial Office
633 Third Ave., New York, NY 10017
(212) 986-4800

Midwest Office
180 N. Michigan Ave., Chicago, IL 60601
(312) 782-1266

West Coast Office
10540 Talbert Ave., East Tower, Suite 150
Fountain Valley, CA 92708
(714) 964-6470

RESTAURANT BUSINESS Magazine (formerly FAST FOOD) (ISSN 0097-8043) is published 18 times a year by Bill Communications, Inc., 633 Third Ave., New York, NY 10017. Telephone: 212-986-4800.
Copyright © 1990 by Bill Communications, Inc. All rights reserved.
Subscriptions in the U.S. $79; foreign and Canada, $114, air mail, $212. Single copies in the U.S. and Canada $7. Second class postage paid at New York, NY, and at additional offices. Postmaster: Send address corrections to Restaurant Business, Attention: Roseanne Walsh, Circ. Dept., 633 Third Ave., New York, NY 10017-6743.
Authorization to photocopy items for internal or personal use, or the internal personal use of specific clients, is granted by Restaurant Business for libraries and other users registered with the Copyright Clearance (CCC) Transactional Reporting Service, provided that the base fee of $3 per copy is paid directly to CCC, 21 Congress St., Salem, MA 01970. (0273-9313/81 $3) Special requests should be addressed to Peter Berlinski at Restaurant Business.

# The Children's Hour

By Kevin Farrell

Joe Angel doesn't consider himself a criminal. But Angel, the founder and president of Restaurant Management Northwest Inc., a 28-unit Burger King franchisee based in Portland, OR, is facing a total of $319,000 in federal fines. His company stands accused of violations against the Fair Labor Standards Act, which, among other things, prohibits children (defined, for this purpose, as aged 14 to 17) from working more than a certain number of hours.

Angel was caught in the federal Department of Labor's crackdown, called "Operation Child Watch," a stepped-up enforcement program aimed at employers who illegally employ underage workers, fail to comply with regulations governing child labor, or don't adequately fill out paperwork on children who work.

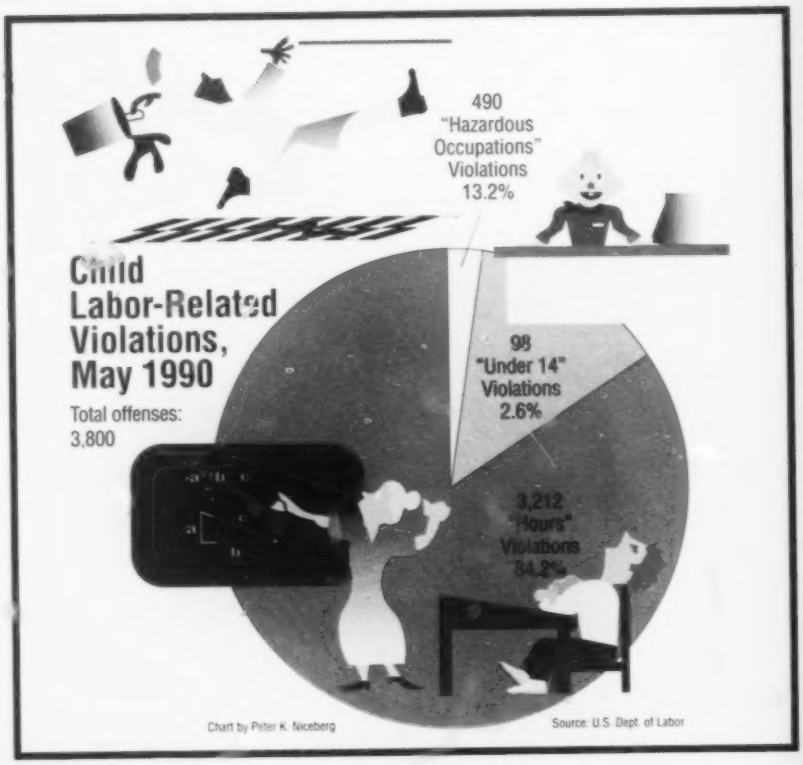
Labor investigators descended on Angel's Oregon units following Burger King's filing of a lawsuit against the Department of Labor in May, accusing it of various violations. To Angel, the action was politically motivated. "I have been made a scapegoat," he says, his anger rising even six months after the initial investigation. "This is a politically driven investigation and I'm caught in the middle. It's going to cost me and my company a lot of money, and the end result is going to be that fewer young kids will have jobs, at least in my Burger Kings."

**TWO SIDES.** Angel's story crystalizes a debate that is currently occurring at the federal level, in many state governments, and throughout the restaurant industry concerning the use of young people, aged 14 to 17, who work in restaurants. On one side is the Department of Labor, led by Secretary Elizabeth Dole. Her department is making a name for itself with the child labor crackdown, an action that many consider ill-informed and one that surprises some Bush supporters who were looking forward to a further relaxation of regulatory enforcement from agencies such as Dole's. Many state labor administrators, educators, and some businesspeople have joined her effort.

On the other side, arrayed against Dole, is much of the business community, in particular representatives of the service industries, where many children's hours violations have been uncovered. The retail, textile, grocery, and restaurant industries have been especially hard hit by the stepped-up enforcement of these child labor laws, for the simple reason that they employ the greatest numbers of teenagers.

The restaurant industry has borne the brunt of the investigation, both in terms of fines and in bad publicity. In one of the Labor Dept.'s most recent press releases concerning Operation Child Watch—as the initiative is known—88% of the violations were uncovered in the employment categories "fast food," "restaurants," or "concessions." Among the violators are

*continued on page 86*




**With more stringent enforcement of child labor laws, operators need to be more careful about work schedules.**

# The restaurant industry has borne the brunt of federal investigation, in terms of fines and bad publicity.

some of the biggest employers in the restaurant industry: McDonald's, Ogden Foods, Taco Bell, Burger King, Kentucky Fried Chicken, Dairy Queen, Hardee's, Arby's, Little Caesar Enterprises, Wendy's, Pizza Hut, and Grandy's all stand accused of abuses. The list goes on, and includes smaller chains and independents as well.

**BAD PRESS.** Much to the chagrin of the industry, the violations have been accompanied by a flood of press releases and publicity from the Department of Labor. During both of the Department's two major sweeps this year, in March and June ("Operation Child Watch I and II"), headlines across the country blared that the restaurant industry was illegally employing teenagers, and working them too hard or too long. And, while much of that publicity centered on the large national chains, especially Burger King, whose franchisees had the largest number of violations during the March sweep, many restaurants were affected.

This isn't an issue that just affects the big chains, or their franchisees," says the National Restaurant Association's senior director of government affairs Mark Gorman, who is strongly opposed to the tactics Secretary Dole has used and has testified in Congress against increased penalties for violators. "This is a major difficulty in our industry."

And it is becoming a potentially more serious problem. People like Gorman are pressing for labor law reform that would "more accurately reflect the real-life conditions of teenage employment in the U.S. today," he says. At the same time, Secretary Dole, along with some members of the House and Senate Labor committees, are pressing for increased penalties and stricter enforcement of existing laws. Some states—most notably New York—are also trying to further restrict the work options available to school-age children.

But this is a question with many sides, and it appears that black-and-white answers are hard to come by. "Is there a right or wrong here?" says one industry observer. "I'm not so sure. The truth, as it so often does, likely lies somewhere in the middle." Adds Johanna Schneider, a spokesperson for Secretary Dole: "This is a question of public policy, and there are many potential answers. The federal government's position is clear for now: Violating the laws concerning child labor laws is a serious problem."

**DO THE RIGHT THING.** Indeed, finding the right thing to do in this case is difficult, and there is certainly no lack of opinion on what needs to be done. Some in the restaurant industry have lashed out at Dole, whose highly visible presence and penchant for seeking favorable publicity has led to charges of playing politics with the welfare of children. Says Gorman: "This is self-righteousness run amok. It's a big political game to see who can express the most concern about so-called 'child welfare'."

"The real story is that she's running for president, and this is one way to generate publicity," says John Merritt, senior vice president of public relations for Hardee's of Rocky Mount, NC, a chain also caught in both the March and June sweeps. "She wouldn't be doing this if she couldn't get the publicity. If there isn't a public relations spin on it, Dole isn't interested."

That's a somewhat cynical approach that members of Secretary Dole's staff understandably don't share. "The fact is that there are numerous abuses taking place in a variety of industries," responds Schneider. "For whatever reasons, there was the perception that the Labor Department would not enforce the law. When we came in, Dole sat down and looked at the situation and decided that this was an area where we could make a difference, where we could stop some of the abuses taking place at the expense of children in the workplace."

Some operators and observers think that the restaurant industry has been unfairly singled out. "Sure there's resentment in the industry, and for good reason," says Gorman.

"The federal government does nothing to educate businesses about the law, there's a great deal of confusion between state and federal laws, restaurants feel trapped between the jurisdictions, and, above all, the law is irrelevant to the real workings of foodservice establishments today," he adds. "Of course we're angry, because we've been singled out."

Absolutely not," counters Schneider. "It is clear from our data that the service industries—which don't require a

*continued on page 88*

# While restaurateurs press for labor law reform, government officials seek stricter penalties.

high level of skill or a lot of training—employ many children. We haven't singled out restaurants, but the industry employs many children so we must look closely at it. We also looked very closely at the retail, grocery, dry cleaning, jewelry manufacturing, and textile industries, because our research shows that those are the places where children work. It is just a fact of life. This is our job."

"We're seeing kids falling asleep in school because they're out too late at night working," says Kathleen M. Do, a spokesperson for the New York State Department of Labor. New York, at the behest of Governor Cuomo, has also stepped up its enforcement of the child labor laws over the last 18 months. "We have paid special attention to the garment and textile industries in New York City, but the fast-food industry is clearly a major offender," adds Do.

Cuomo, in agreement with many New York educators, is currently pressing the state legislature for stricter state laws governing the work time of 14- to 17-year-olds. Currently, under one of the most permissive state laws in the U.S., children can work up to 48 hours a week. "We want to see that changed," says Do. "While it is important for children to learn responsibility and have jobs, we clearly see a drop in grades when kids work that full a work schedule. It is a Herculean task, and most children aren't up to it. We hear from them that employers pressure them into working later hours."

Do's point goes right to the heart of the debate concerning child labor. What is the appropriate work load for people between the ages of 14 and 17? What kinds of work should they be permitted to do? What role does the employer have in making sure that an employees' school work is not suffering?

**CAUGHT IN THE SQUEEZE.** "Restaurants, especially fast-food establishments, are caught in a terrible labor squeeze, and 14- to 17-year-olds are an important part of the solution," admits Bill Cross, head of the Oregon Restaurant Association. "We want some liberalization of the law at the federal level, because it is outdated. And most of our members who got in trouble with the labor department did so because there was a lot of confusion over what was right."

With the exception of the 1970s, more teenagers are in the workforce now than at any time since World War II, according to a report from the Educational Testing Service titled "Earning and Living: The Academic Achievement of High School Juniors With Jobs," published in 1989. A 1984 study showed that 70% of all employees in the fast-food restaurant industry are between the ages of 14 and 17 and 66% are female. "There are a lot of kids out there who want to work and who need to work in our restaurants," says Merritt of Hardee's. "I'm afraid that these kinds of laws will discourage employers from hiring kids."

Employers like me are caught in the middle," adds Angel, speaking from his own experience. "Is it up to me to check kids' grades? I frankly don't see that as part of my responsibility." For his part, Angel defends his employment practices. Most of the violations Labor investigators uncovered in his Burger King units were in hours worked. According to federal law, 14- and 15-year-olds cannot work after 7:00 p.m. "Obviously, that is problematical because 7:00 p.m. comes right in the middle of the dinner hour, when we are very busy," says Angel.

We try to get the kids out on time but sometimes they have to wait to get on to our electronic system to punch out. It can be 10 to 15 minutes after 7:00 before they punch out. Each time that

*continued on page 92*

## Know The Law

The majority of offenses uncovered by the Department of Labor in 1990 concerned the hours worked by 14- and 15-year-olds. In virtually every state, a work permit is required for people of this age to work in a restaurant or fast-food establishment. In addition, there are numerous other prohibitions concerning the employment of 14- and 15-year olds. They may not:

- work more than three hours per school day;
- work a total of more than 18 hours during the school week;
- work more than eight hours on each nonschool day;
- work more than 40 hours during nonschool weeks;
- work after 7:00 p.m. or before 7:00 a.m. during the school year.

There are also limits on what kinds of work this age group may perform. Among the prohibited tasks: cooking (with certain exceptions); baking; operating meat-cutting or grinding equipment; and loading or unloading rail cars.

Because many restaurateurs who have been found in violation of the law often plead ignorance of the law, it is a good idea to get the facts. You can contact your local Dept. of Labor office, or write to The U.S. Dept. of Labor, Public Information Division, Washington, DC 20210. It is also imperative that you contact your state labor bureau to find out the possible conflict between federal and state regulations.

In general, federal regulations are superceded by state law, unless the federal law is less strict. If you have special questions, contact an attorney or your state restaurant association.

## Some states now require work permits that can be revoked if a teenaged worker's school grades drop.

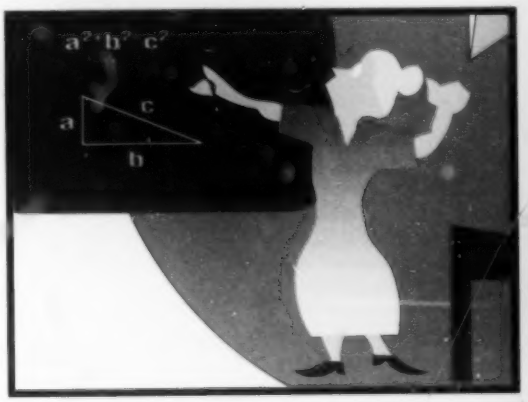
happens, it is considered a violation." Angel was also cited for bad record-keeping and disregard for definitions of what is—and isn't— the "school year."

Regardless of the specifics in Angel's case, critics of the federal law say that the 7:00 p.m. rule, as well as other parts of the law, are unrealistic. "The people who enforce the law never stopped to see what happens in restaurants," says Gorman. Counters Schneider of the Dept. of Labor: "That is the law as it is written. Our job is only to enforce it.

Secretary Dole is anxious to tighten the law and to add further penalties and restrictions against offenders. She suggested in recent Congressional testimony that maximum penalties for repeat violators be increased to $10,000 from the current $1,000. In addition, she called for limiting 16- and 17-year-olds to a 28-hour work week during school and requiring any minors still in high school to obtain work permits signed by a doctor, parent, and teacher. She is strongly backed by a number of influential members of Congress, including Donald Pease (D-OH), Charles Schumer (D-NY), and Tom Lantos (D-OH), who support tighter child labor laws.

**ELIMINATING JOBS.** "Those changes would be a disaster, pure and simple," James M. Coleman, general counsel for the Foodservice and Lodging Institute, a Washington, DC-based lobbying group, told Congress. "If such penalty provisions were to be enacted, the vast majority of the Institute's members would eliminate the employment of anyone under the age of 16, and possibly under the age of 18. If the law is amended to reflect the Secretary's interests, it is certain that teenagers are going to lose jobs."

At the same time, the restaurant industry is anxious to see the laws changed so that they more accurately reflect the realities of the workplace today. "Some of these laws are 40 years old," says Merritt of Hardee's. "They just don't make sense in today's environment." Gorman of the NRA as well as representatives of Burger King, McDonald's, and Domino's recently testified at hearings held by the House Subcommittee on Labor Standards against the proposals to beef up the laws concerning children in the workplace. Dole also testified, calling for increased penalties and criminal sanctions for first-time offenders. At the same hearing, she said: "Providing our young people with the skills and education needed for a lifetime of productive work will be a top priority throughout my term."




"It's hard to believe that's true when they're talking about increasing the penalties and, in effect, making it riskier to hire young people," says Cross of the Oregon group. Adds Angel: "I know I'm less likely to hire teenagers when their violations may get me fined and even put in jail. I guess the authorities just don't want us to hire kids."

While the debate is raging in certain quarters, some states have set about to quietly seek compromise and reasonable solutions. In Indiana, restaurateurs were facing tougher child labor legislation two years ago, but the state association was able to work out a compromise in which teenagers (including 17-year-olds) are now required to obtain special work permits that can be revoked if school grades drop.

In a new spirit of cooperation between educators, employers, and parents, the Indiana Restaurant Association has inaugurated "Education First," a program designed to increase communication between the parties involved. Participating restaurants post a "creed" outlining the restaurant's commitment to its employees' education, receive stickers for the establishment, and send postcards to the employee's school telling it that the teenager is an employee there and that the employer should be informed if grades slip or there is another work-related problem. In addition, the program offers scholarships to deserving employees. "We need to be good employers, to not interfere with kids' education," says Steve Madigan, CEO of Indianapolis-based Ultra Steak Inc., a nine-unit Sizzler franchisee.

But programs like Indiana's aren't going to be enough, says Merritt of Hardee's. "We're trying to develop a program that we can institute system-wide, although it will be difficult." But Merritt says it can't be a program that Hardee's, Domino's, or Burger King institutes alone. "We need an industry-wide response, and we need leadership from the leaders in the industry, but we're not seeing it," he says. Merritt wishes that McDonald's, for example, would take a stronger position and bring the other chains along with it.

While the question of teen labor is unlikely to be settled soon, the federal Department of Labor as well as numerous state enforcement agencies will continue the ongoing crackdown. At the same time, restaurateurs and foodservice operators will have to contend with an ever-shrinking labor pool, and teenagers will come under increasing economic and familial pressure to work. The situation appears to be on a collision course, and solutions remain difficult to come by. "This is a problem that isn't going away, and we have to find a solution," concludes Madigan. RB

MARKET SEGMENT REPORT

# UPSCALE TAKE-OUT

**In Chicago, Room Service delivers with specially equipped vans.**

If you can't get customers to come to you, why not send the food out to them? This is the strategy that has led a growing number of upscale operators to explore the opportunities offered by take-out.

The foodservice industry as a whole is suffering from a slow-growth period, but of any category, the fine-dining segment has probably been hit the hardest. While one response has been to downscale prices and casualize concepts to try to lure back business, another has been to look for new growth avenues. Take-out and delivery are among those capturing greatest attention.

Jeff Senior of Skipjack's Restaurants, one of many Boston establishments to target off-premise, explains, "Sales have dropped off, but one area that is still growing as a percentage is take-out."

Traffic counts for off-premise dining grew 3% from 1988 to 1989 while on-premise visits in the same period stayed nearly flat, according to CREST data provided by NPD Group, Park Ridge, IL. The good news is that there does seem to be a rebound. New CREST figures show that from June 1989 through May 1990, on-premise traffic for both midscale and upscale operations was up, advancing 2% and 5% respectively, while off-premise also grew, 5% for midscale restaurants and 2% for upscale operators.

CREST figures also indicate that major upscale chains are achieving the greatest success in the take-out arena. Off-premise business for this segment advanced 12% in the period, compared to a 2% gain in on-premise traffic.

In all, take-out accounted for 17% of traffic at midscale restaurants in 1989, and 7% for upscale establishments.

Customers are clamoring for the speed, ease, and convenience of take-out and delivery, while making it clear that they hunger for more choices than the old staples of pizza, Chinese, and fast food.

Peter G. Rosenberg, executive chef of Kingwood, TX-based Delicatexas Food Creations & Catering, notes a trend to more home entertaining. "The yuppies went out and had a great time in restaurants in the last decade."

*continued on page 142*

**Restaurants don't have to add seats to add sales.**

**By Carol Casper**

# UPSCALE TAKE-OUT

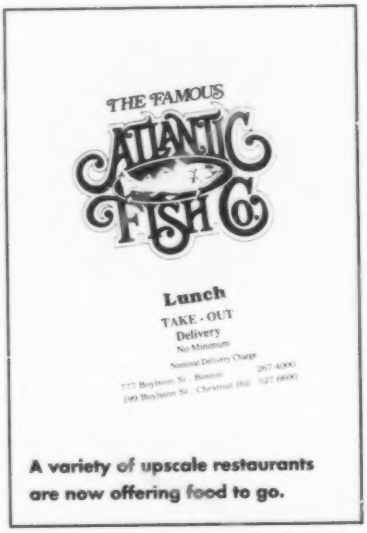
Rosenberg comments. "They also bought great homes, and now want to enjoy them by staying in to entertain." But rather than preparing their own menus for dinner parties, they are turning to take-out.

**ENSURING QUALITY.** One challenge to upscale operations is insuring that food quality and service travel well enough to justify the hefty checks. Another consideration is that offering take-out could be perceived as downgrading to an upscale restaurant's image.

Delivery services that feature tuxedoed waiters trained in proper service help image-conscious restaurants participate in the take-out trend in a way that befits their style. These services also take over the logistical and marketing headaches by distributing menu books, advertising, and taking the orders, as well as making deliveries.

Davio's Restaurant and Cafe is one of more than a dozen Boston restaurants that has contracted with a service in that city called Dining In. It now sends out 15 to 20 orders a night through the agency, plus another four to five meals from its Brookline Cafe.

Checks per order average $15 to $25, but $100 deliveries are not unusual, owner Steve DiFillippo notes. The menu is drawn partly from Davio's formal dining room and partly from the Cafe. The majority of customers choose gourmet pizzas and pastas from the Cafe menu, he adds, but about 30% go for pricier entrees.




**A variety of upscale restaurants are now offering food to go.**

In addition to deliveries, Davio's averages five or six walk-in take-out orders nightly in Boston and 10 or more each evening from Brookline, plus a few take-out lunches each day.

Dining In's service, offered only at night, did not cut into take-out business, DiFillippo notes, explaining, "Take-out is generally a different kind of customer—someone who lives around the block, is driving by, or wants to save the $5 delivery charge." He also does not believe it detracts from on-premise business. "Our deliveries average $1,500 to $2,500 a week in the winter, and $700 to $1,200 in the summer. That works well, because the winter period when our Dining In business is up we lose our outside seating, so delivery helps us balance our business."

**Customers want more choices than pizza and Chinese.**

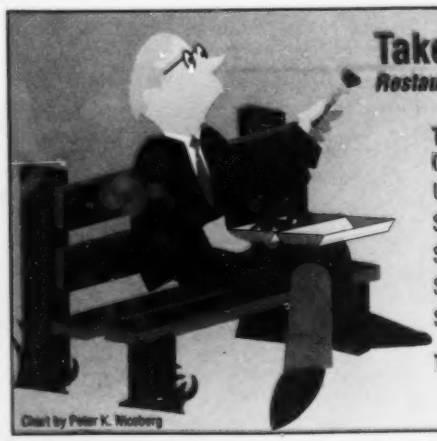
**PARTNERSHIP.** For the Blue Note Cafe in Boise, ID, partnership with a delivery service has diminished walk-in take-out, but overall has boosted sales, and has taken nothing away from inside business, says owner Mike Baron. "We average 75 to 100 delivery orders monthly now, plus another 10 to 15 still in take-out, a service we had never marketed anyway," Baron notes.

Per-person check averages run about $12.50, somewhat lower than in the restaurant, "because we can't send out alcoholic beverages, and because often people do tend to order a single item or salad instead of a complete meal." About three-quarters of the sit-down menu is available through Entree Express, its take-out service.

"We get a surprising number of orders from guests in hotels, including places with restaurants and even some that have room service," Baron notes. "I don't think it's a reflection on their food, but simply answers a need of business travelers who get tired of eating in the same place every night."

**DELIVERY SERVICES.** The number of restaurants using these services will no doubt rise, as the concept has really only begun to spread in the last couple of years. There are probably 150 such delivery firms, estimates Peter Hetherington, vice president of

*continued on page 146*



## Take-Out Takes Off

***Restaurants Offering Take-Out Service***

| Type (average sales) | |
|---|---|
| Under $200,000 | 63.4% |
| $200,000-$299,000 | 66.5 |
| $300,000-$499,000 | 62.9 |
| $500,000-$999,000 | 57.7 |
| $1 Million and over | 51.4 |
| **Total** | **59.5** |

Chart by Peter K. Mosberg

Source: Restaurant Business Research

MARKET SEGMENT REPORT

# UPSCALE TAKE-OUT

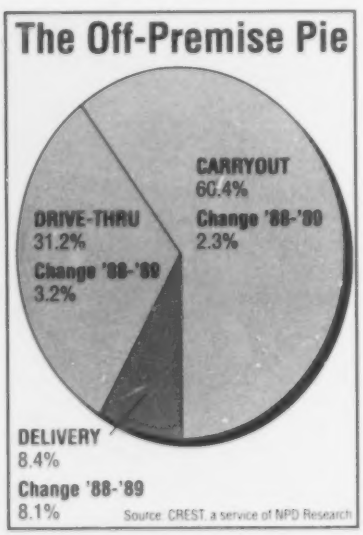
Restaurant Express, Newport Beach, CA, and president of Meal Delivery Inc., a consulting firm.

Services range from small operations like Boise's Entree Express which handles nine restaurants, to complex operations like Chicago's Room Service Deliveries Inc., which uses computerized order-taking and dispatching systems, and delivers via 15 specially equipped, radio-dispatched vans.

Hetherington's own Restaurant Express, which opened four years ago, delivers for 32 restaurants in five communities. It has serviced 17,000 customers since it was founded.

While many operations like Entree Express and Dining In use fax machines instead, some larger services like Restaurant Express and Chicago's Room Service Deliveries hook restaurants up to their computerized order systems by placing terminals in the kitchens.

There are also big differences in the way services handle menu distribution, with some creating slick, book-type formats, while others like Entree Express fit all offerings on a single sheet.




Among other issues a restaurant should consider before signing with a service is how it manages the logistics of deliveries and what provisions are made to insure quality. Many services, for example, impose strict travel limits.

"We have a distance table in our computer for every restaurant and we won't travel more than 15 minutes to make a delivery," Hetherington notes.

With its specially equipped vans, Chicago's Room Service handles a larger geographic area than many, but even it has to impose limits, CEO Brian Keil notes.

Another factor to consider is how the service handles packaging. Some leave that up to each restaurant, while others, like Room Service, specify containers to use and provide them at cost.

Larger services also may be able to offer valuable marketing information to participating restaurants. "We have a database of 35,000 people that have ordered and have commissioned research," Keil notes.

Room Service not only handles individual and small group orders, Keil adds, but does about 20% of its business catering dinners for groups as large as 120. "We have a catering coordinator who helps clients select a menu from one or several restaurants. We are also starting a separate division that will provide all the traditional catering services."

Other restaurants are developing delivery services on their own or developing take-out strategies that combine a variety of approaches. One such company is the Westwood Group, Boston, which operates a variety of concepts in New England. "We had always offered take-out but never pushed it. But in the last six months we've targeted off-premise," vice president of food operations Gary Mitchell explains. The group's main focus is delivery, by its own employees within malls in shopping center locations and in downtown areas where the orders can be handled on foot, and through outside delivery services when vehicles are required. The company put together delivery menus for each restaurant and has distributed them through mailings and handouts.

**In New York City, "We Deliver" publicizes restaurants that offer that service.**

"We started in the summer when business would be slow to give ourselves a chance to work up. Now to-go sales are rising, and we expect them to grow from several hundred to several thousand dollars per week per restaurant," Mitchell says.

Chopstix, an Asian concept with six restaurants in greater Los Angeles had used a delivery service but then decided to handle deliveries with its own staff. "They're more efficient, and better customer-service representatives," director of operations Steve Sukman says. Take-out and delivery comprise more than 30% of the restau-

*continued on page 150*

# SUCCESSFUL FRENCH FRIES ARE A MATTER OF DEGREES.

We go to a lot of trouble to assure that Idaho French fries are the world's finest. With no trouble at all, you can preserve that quality all the way to your patrons' plates:

- To keep fries crisp and golden, not limp or greasy, fry at exactly the right temperature—between 350° and 375° F. Experiment to see what temperature works best for your oil and fryer.
- Keep frozen fries completely frozen before frying—if possible, keep a small freezer near your fryer.
- Cook in small batches. An overloaded basket makes fries soggy and greasy, from excess oil absorption (which costs you more, too).
- Handle the cases of fries carefully—a fall of just three feet will break more than one-third of the fries!
- Never leave fries in the basket after cooking, and never salt over the basket.

To find out more about how to serve the world's greatest French fries, ask the experts:

Idaho Potato Commission
1-800-824-4605
P.O. Box 1068
Boise, Idaho 83701

IDAHO® POTATOES


MARKET SEGMENT REPORT

## UPSCALE TAKE-OUT

rants' sales, he adds, with a little more than half of that from delivery. The restaurants are designed with take-out in mind, featuring unobtrusive cashier stands with plenty of counter space.

**Packaging is an important consideration.**

Another West Coast group boosting its emphasis on take-out is Spectrum Foods of San Francisco. Spectrum has been marketing take-out at its MacArthur Park restaurants for some time. They offer a special 25-item to-go menu and are equipped with separate take-out stations. The menu features gourmet salads and sandwiches ranging in price from $4 to $10, plus barbecued ribs and chicken selections. The restaurants also offer beer and wine to go.

Take-out is growing, notes director of marketing Faith Wheeler. It already makes up half of MacArthur Park's lunch sales and one-sixth of overall volume. At least one of the restaurants also provides night-time delivery through San Francisco's Waiters on Wheels service. More recently, the company began promoting take-out from one of its Italian concepts, Ciao!

"It always had it available, but this wasn't communicated to customers, and the operation was set up more for take-out of fresh pasta that customers could cook at home," Wheeler explains. To change this, the restaurant has distributed a new take-out menu and begun promoting fax service. Offerings range from cold salads and antipasti such as marinated baby squid for $6.75 to a selection of nine pastas plus main courses including veal, chicken, and shrimp dishes at prices from $8 to $16.

Another of Spectrum's to-go outlets is Spuntino, a cafeteria-style Italian cafe near the San Francisco Opera and city offices, which serves creative pizzas, pastas, and baked goods throughout the day. Take-out accounts for half of Spuntino's lunch business, and should increase since its recent addition of a fax machine, says Wheeler. The restaurant is about to add pizza delivery, which should increase night-time take-out sales.

**VARIOUS AVENUES.** Skipjack's Restaurants, too, utilize several take-out avenues. Off-premise accounts for 10% of Boston and 8% of Brookline sales, Senior notes.

Take-out volume is predominantly walk-in or call-ahead lunch business.

*continued on page 154*

**In Chicago, Room Service offers delivery of items from a variety of restaurants.**

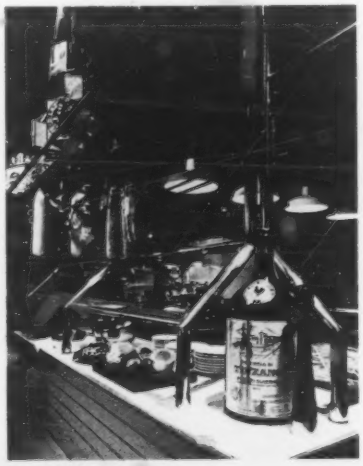
MARKET SEGMENT REPORT

# UPSCALE TAKE-OUT

The restaurant installed a fax two years ago, but that service is used mainly by corporations for large, catering-type orders, says Senior.

"Because our menu changes frequently, most individuals prefer to come in to see what's on our daily specials before they order," he explains. At night, this site also offers delivery through Food Movers, a service allied with Dining In that does not take orders, but simply picks up and delivers. In Brookline, take-out is split about 50-50 between lunch and dinner, and although delivery service is offered there through Dining In, most of the sales are actually pickups.

Skipjack's advertises take-out on its menu and through signs in the restaurant, and has developed a separate take-out menu of about 35 items priced below regular restaurant prices. Included are a fixed schedule of daily lunch specials.



**Ciao! offers Italian to go.**

**PUBLICATIONS.** Another promotional avenue for restaurants that offer delivery is advertising their menus in publications like New York's "We Deliver," which have sprung up in several cities. Since it premiered five years ago, We Deliver has grown from one, 48-page book to three editions totaling over 180 pages, publisher Joel Scher notes.

"The quality of participants has also grown, with more upscale restaurants

*continued on page 156*


FINALLY, A COOKER THAT CAN TELL RICE FROM WRONG.

No more burnt, overcooked or dried up rice.

The National Rice Cooker/Steamer SR-400HZ will see to that, automatically.

Just push its button, and a built-in thermostat cooks 50 servings at just the right heat to insure perfectly moist rice. When the rice is done, the cooker shuts itself off.

Thanks to a removable steaming plate, it even lets you cook crisp, nutritious vegetables.

Write for more information on the UL and NSF-approved SR-400HZ.

It makes rice without making mistakes.

**National/Panasonic®**

Distributed by Panasonic Company, Specialty Product Section, 6550 Katella Avenue, Cypress, CA 90630 714/373-7757 Rice Cooker/Steamer

**For information circle number 26**

# UPSCALE TAKE-OUT

offering delivery that never would have a few years ago," he says.

Among them is The Ravelled Sleave, which sends out from five to 25 dinners a night, according to owner Jan Fried. "We require a $15 minimum and try to stay within a five-block radius," she adds. Take-out checks average $50 to $60 for a party of two.

Another way some restaurateurs are tapping the off-premise market is by opening separate take-out stores. Michela's of Cambridge, MA, opened Michela's Take-Out Shop five years ago at the same time the fine-dining restaurant opened. "We serve about 400 people daily from take-out," says owner Michela Larson.

At lunchtime, seating is available for take-out customers in the area used by the restaurant's night-time full-service cafe. Evening business, from a separate menu available after 3 p.m., is virtually all take-out, with about 30 customers. Michela's offers its own lunchtime delivery service and fax ordering..

Larson's brother Jonathan has opened another kind of operation in Boston that emphasizes take-out. Caffe Gianni is a 3,000-sq.-ft., 50-seat, take-out restaurant. "We serve as many as 1,700 to 1,800 people daily, and also do a wide array of corporate catering." Take-out accounts for 70% of sales.

**J.C. Hillary's offers a special menu for delivery.**

Another take-out oriented operation that emphasizes high quality, freshly prepared foods at reasonable prices is Boston Chicken, a growing chain based in Boston. Its first three company-owned and 10 franchised stores are all in Massachusetts, but new stores are opening in Connecticut and Long Island, NY. Although a few of the operations offer in-store seating, 85% of sales are take-out, as the chain's slogan, "Take Home Cooking," indicates.

**At Spectrum Foods' MacArthur Parks, take-out accounts for one-sixth of the total sales volume. Units have a 25-item menu and separate take-out stations.**

Upscale food at downscaled prices is also the focus of some new kinds of operations that are springing up—foodservice kitchens devoted strictly to delivery.

Room Service Express, Los Angeles, founded two years ago, for example, features five menus: sandwiches, salads, American, Italian, and Chinese. Checks average $10 per person, says president Robert Turkel. The company currently has one site delivering within a 2.5-mile radius in the West Hollywood area, but should have two other locations open in six months. Room Service Express currently delivers 100 to 150 orders a day, split 60-40 between dinner and lunch business, not counting corporate catering, Turkel notes.

Fax Grande Cuisine, Elmsford, NY, concentrates on a very specific kind of service—delivering gourmet dinners to New York City commuters coming home to Westchester train stations. President Danielle Rodriguez-Schneider, who launched the business last spring, distributes menus each morning at the stations to commuters on their way to work, and also by mail to 500 people.

**RISING TREND.** Delicatexas Food Creations & Catering near Houston does some delivery through couriers but concentrates mostly on take-out from its store. Executive chef Rosenberg, formerly of the Ritz-Carlton, Houston, and Hotel Bel-Air, Los Angeles, developed the business a year ago. In addition to fresh entrees and soups, the store features an array of fresh salads and weekly dessert selections. Average entree prices range from $4.25 to $8.25. The menu includes such items as broiled drum fish in roasted bell-pepper sauce and black pepper fettuccine with smoked salmon, sun-dried tomatoes, and basil pesto sauce.

Rosenberg feels his operation is a harbinger for the '90s. "Time and budgets being what they are, people are starting to look at the entire picture: service, quality, and ambience. And they're asking, 'Do I really want to sit down and eat a three-hour meal in a fancy restaurant, or do I just want a good meal that I can enjoy in comfort and convenience?' " **RB**